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[REDACTED]

## SITUATION REPORTS

### POLAND

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

#### Domestic Situation

[REDACTED] the aura of a "shared national feeling" arising from the anniversary celebrations in Gdansk and Gdynia appears to be assisting the present calm in Poland. It has not, however, brought about a sense of national purpose. Most observers give the Polish party little chance of successfully using the reprieve to seize the initiative and give new direction to the country. [REDACTED]

Relations remain strained among the various political elements in Poland. Jacek Kuron, a leading member of Poland's largest dissident group, has accused the Catholic Church of distorting his views and thereby adding to the current tension. The attack came in response to a priest's public assertion on Friday that Kuron "lacked common sense." [REDACTED]

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Approved for Re [REDACTED]  
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More Economic Problems

[REDACTED] declines in production to cause a substantial decrease in hard currency exports. [REDACTED]

[REDACTED] shipments to the West of coal, steel, and copper are likely to fall to about half of their 1979 levels next year. Such reductions would cost Poland over \$1 billion in hard currency earnings at current prices. [REDACTED]

Imports, furthermore, will almost certainly rise next year. It now appears that Poland's hard currency trade deficit could rise sharply next year--to about \$3 billion from the slightly less than \$2 billion deficit we believe will be recorded in 1980. [REDACTED]

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